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Greece

Cotton and Products

Voluntary

2005

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Report Highlights:

Greece 2005 cotton production is expected to be up this year primarily due to good weather and improving yields. The increase in production will likely result in decreased grower prices.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Rome [IT1]
[GR]

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Executive Summary

Production

Field sources indicate that output this year should approach 1.3 MT (seed cotton basis), which would yield over 420 thousand MT on a lint basis. This increase in production is due to favorable weather conditions and improved yields. Acreage remained at normal levels, reportedly around 380 thousand hectares planted. Yields however, have shown a spectacular increase all over Greece, due to the favorable weather and U.S. genetics (75-80 percent of the seed planted is of U.S. origin).

To date, approximately 60 – 70% of the cotton harvest has been completed under favorable weather. However, rain around the country is slowing the harvest. By the end of November, there will be a more precise picture of the final harvest.

Trade and Policy

This year is the last crop year for cotton under the old CAP. Cotton planted and harvested within 2006 will fall under the new CAP Reform (65% decoupled and 35% coupled). While we anticipate that the new CAP Reform will affect 2006 cotton acreage and output significantly, it remains to be seen exactly what affect it will have. Under the old CAP, the EU cotton quota for Greece for 2005 is set at 1,150,000 MT (seed cotton basis). Greece exceeded the EU quota by almost 150,000 MT. This will have a downward impact on farmer prices. Excess output does not qualify for EU price subsidy payments. On the contrary, farmers will be required to subtract an imposed countervailing levy from the grower price.